

Frederick County Department of Housing and Community Development

520 North Market Street

Frederick, MD 21701

www.frederickcountymd.gov/housing



FREDERICK COUNTY HOME INITIATIVE PROGRAM FOR DOWN PAYMENT/CLOSING COST LOAN ASSISTANCE Round 25

Purpose of Program

The Frederick County HOME Initiative Program allows local families with limited resources to obtain their first home with State of Maryland HOME funded down payment/closing cost loan assistance. Loans have 0% interest and are deferred until repayment. The loans require liens on the property with repayment at: 1) the sale, refinance or transfer of title on the property; or 2) when the property is no longer the primary residence of the owner.

Note: The turnaround time for the processing, approval and funding to settlement of a **complete** loan application is 30 days. Applications that are not complete will be returned.

There are two options to apply for this loan:

- 1) Application made by a lender (no brokers allowed) on behalf of a homebuyer for a property anywhere in the county, with application directly to County Housing, with loan amount greater than \$1,000 and up to \$7,000; OR
- 2) Application in conjunction with a USDA Rural Development direct mortgage for a property outside of Frederick City in a rural area of the county, as determined by USDA. Applications are made through USDA at 301-797-0500, extension 4, to begin the application process for a mortgage. USDA will make application for the HOME loan on behalf of the homebuyer.

Green Homes Challenge Component (*a new benefit for the new homebuyer*)

To help new homebuyers keep home ownership and utility bills affordable, Housing is partnering with the Office of Environmental Sustainability (OES) on a new initiative - the Frederick County **Green Homes Challenge**. After settlement Housing will provide homebuyers a package of energy saving information. The homebuyer will then register with the **Green Homes Challenge** and attend one free orientation session (offered monthly) about the **Challenge** and its **Green Home Certification** program. Homebuyers will receive, at no cost, a Comprehensive Home Energy Audit through the Allegheny Power Watt Watchers program. Then the homeowner will be required to implement one audit-recommended energy retrofit project, with the guidance of OES. All HOME homebuyers will also receive the Green Homes Challenge Workbook which will educate them about energy saving actions, strategies for living a greener lifestyle, and renewable energy options. Homebuyers will be shown how to register to use **Green Homes Challenge** on-line tools for taking energy saving steps, tracking energy and utility bill savings, and reaping rewards for energy savings. OES staff or volunteers will follow-up with homebuyers to offer support and resources to ensure that HOME homebuyers become certified at the **Green Homes Challenge** Power Saver level.

HOME Eligibility Criteria

1. 1st time homebuyer – may not have owned a home in the three (3) year period prior to application.

2. The property must be the primary residence.
3. Total gross household income must be at or below the Washington area median income (AMI) limit set by the U.S. Department of Housing and Urban Development (HUD) for the HOME Program. See the income limits table on the website; look in the HOME column.
4. The applicant(s) must complete homebuyer education training by a HUD approved housing counseling agency. In Frederick County this is the Frederick Community Action Agency; call Brad Petersen 301-600-3966 or Joe Baldi 301-600-2077.
5. The property must pass a Housing Quality Standards (HQS) inspection, conducted at no cost by County Housing.
6. A ratified sales contract must be submitted with the application.
7. An appraisal must be completed and submitted prior to settlement.
8. The house value limit is \$362,790.
9. Co-signors are not permitted.
10. This loan may not be used with any other Frederick County Housing funded homebuyer assistance program.

Legal Documents

After approval of the HOME Initiative application, Housing prepares legal documents to secure repayment to the State Department of Housing and Community Development – the Deed of Trust lien for recordation in the land records and a Promissory Note. The documents shall require repayment upon: 1) the earlier of the sale, refinance or transfer of title to the property; or 2) when the homeownership unit is no longer the primary residence of the owner. The HOME/State lien shall be released after five years, if all lien covenants are met.

Appeal

An applicant may appeal any decision to the Director of Frederick County Housing and Community Development by filing a written request within ten business days of receiving a denial letter. Applicants may write to the Director of Housing, 520 North Market Street, Frederick, Maryland 21701. The Director shall conduct the review and reply to the applicant within ten business days of receipt of the appeal letter.

For More Information

Heather Sutton, Loan Processor
Frederick County Housing
301-600-6647
hsutton@frederickcountymd.gov

USDA Rural Development
301-797-0500 Ext. 4



Committed to the future of rural communities.